

Exhibit 4

Johnson & Johnson

1986 ANNUAL REPORT



JNJALC000648718

LTL 0023445

and developing unique technologies offers potential for growth in the world marketplace. Examples include:

- new SERENITY Adult Incontinence Guards being introduced in 1987 to the U.S. consumer market
- ORTHOCLONE OKT3, the first monoclonal antibody for therapeutic use approved by the FDA for use in kidney rejection episodes following transplant surgery
- DELTA-LITE, the first synthetic casting material to provide conformability rivaling plaster of paris in fracture immobilization
- ALFENTA, a short-acting narcotic anesthetic useful in general anesthesia and outpatient surgery.

In addition, work continues on many other programs for products that have been developed and await regulatory approval. Some of these have received a fair amount of public attention, such as HISMANAL, a non-sedating antihistamine. Another is sucralose, a sugar-derived, non-caloric, high-intensity sweetener, for which we have recently submitted a food additive petition. There has been considerable publicity too on the program for T-cell lymphoma therapy by extracorporeal treatment of the patient's blood. Other programs have not been publicized but are quite promising. All of these projects involve varying degrees of risk of ultimate approval but reflect our commitment to future growth coming from our research efforts.

As a result we believe that, while our profits in 1986 of \$329 million were depressed by the write-offs, we enter 1987 in as strong a position for future growth as ever in our history. Excluding the write-offs, our underlying business delivered profits of \$709 million, or 10.1% on sales, and return on stockholders' equity rose to 21.6%, both all-time highs for the Company.

In addition, we are heartened that widespread consumer acceptance of our new caplet dosage form has assisted TYLENOL in recovering a substantial portion of its market share, thus remaining the leading brand of analgesic in the U.S. market.

Most importantly, our view of the long term continues to be optimistic. As the most broadly based health care company in the world, we expect to share significantly in what unquestionably will continue to be a growth business.

As far as Johnson & Johnson is concerned, a look at our historical performance over 100 years also tells us a lot about the future. Our sales growth has been remarkably consistent in the face of some extraordinarily adverse impacts—11.6% compounded over 100 years—with seven out of ten decades showing double-digit growth, including the last two.

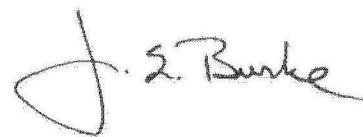
We are convinced this growth will continue into the future if we adhere to our basic philosophies:

- continue our unique form of decentralization—we believe made even more creative and efficient through our new sector management structure

- be guided by the ethical principles embodied in our Credo—once more tested by the second TYLENOL tampering
- continue to manage our business for the long term—as this year's Annual Report attempts to dramatize.

Credit for these accomplishments, as well as the consistency of our long-term growth, of course goes to our people around the world. They are, quite simply, the finest business organization there is and we thank them for their devoted efforts.

Two of our top management people, who also are directors, will not be standing for re-election to the Board in 1987. They are Arthur M. Quilty and Herbert G. Stolzer. Both have been members of the Board for almost 15 years. They will, however, continue as members of the Executive Committee and officers of the Company as they take on important new assignments.



James E. Burke
Chairman; Chief Executive Officer



David R. Clare
President; Chairman of the
Executive Committee

New Brunswick, New Jersey
March 12, 1987